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PACIFIC TELESIS
Group-Washington

March 21, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Dear Mr. Caton:

Re: *CC Docket No. 96-149, Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended; and, Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area*

On behalf of Pacific Telesis Group, please find enclosed an original and six copies of its *"Reply Comments"* in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,

Enclosure

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended; and Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area	CC Docket No. 96-149

REPLY COMMENTS OF PACIFIC TELESIS GROUP

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Date: March 21, 1997

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REPLY COMMENTS OF PACIFIC TELESIS GROUP

Pacific Telesis Group submits these reply comments in response to the *Further Notice Of Proposed Rulemaking ("Further Notice")* in the above-captioned proceeding.

I. SUMMARY AND INTRODUCTION

Several of the commenting parties recommend reporting requirements that are unnecessary to implement §272(e)(1) of the 1996 Act. The Commission should reject those recommendations. In keeping with the goal of Congress "to provide for a

pro-competitive, deregulatory national policy framework...,"[1] the Commission should adopt its tentative conclusion in the *Further Notice* that it "should limit the scope of the proposals considered in this docket to requirements necessary to implement the service interval requirements of section 272(e)(1)."[2] Additional requirements would be neither procompetitive nor deregulatory.

By its clear language, implementing Section 272(e)(1) pertains to the timing of provisioning. It requires only the disclosure of sufficient information to show that the BOC (and any affiliate that is subject to the requirements of §251(c)) "fulfills requests from an unaffiliated entity for telephone exchange service and exchange access within a period no longer that the period in which it provides" these services to itself or to its affiliates.[3] The requirement is limited to detecting discrimination in the timing of provisioning of services.

Accordingly, the Commission should reject AT&T's, MCI's, and Sprint's proposals for service quality reports that are unrelated to the timing of installation and maintenance. The Commission should reject these proposals as 1) outside the scope of §272(e)(1) and, thus, unnecessary for its implementation, 2) untimely petitions for reconsideration of the *First Report and Order* in which the Commission ruled that §272(e)(1) is a timing requirement, 3) not needed because the BOCs already file ARMIS service quality reports, 4) contrary to the Commission's finding in ONA that the

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[1] Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 ("1996 Act"). *First Report and Order* ¶ 1 (*quoting* Conference Report) (emphasis added).

[2] *Further Notice* at para. 382 (emphasis added).

[3] 47 U.S.C. §272(e)(1) (emphasis added).

BOCs' provisioning procedures and systems preclude quality-based discrimination, 5) an improper attempt by competitive LECs to get in this proceeding what they could not negotiate or gain via state arbitration of local interconnection agreements, and 6) contrary to Congress's and the FCC's goals to streamline regulation, including service quality and other reporting requirements.

Contrary to AT&T's argument, the customer negotiated due date is more meaningful than the desired due date for use in measurements since the BOC has no control over the desired due date. The negotiated due date reflects the abilities of both parties and is the date committed to by the BOC. The most meaningful measurement to customers is the percentage of missed negotiated due dates. This measurement provides the information of concern to customers, including competitors. It measures what affects their business, and thus measures the area of concern regarding potential discrimination. The average interval from service request to completion, which we have agreed is the only other measurement that it would be reasonable to require, is a second-best measurement. It is less meaningful because often customers request a delayed installation due date for their own reasons, and of course the BOC honors that request. Therefore average intervals including those delays might falsely appear to be discrimination, if the BOC's affiliates do not request similar delays.

Contrary to some parties' positions, §272(e)(1) allows a BOC to aggregate the data on provisioning requests if it has multiple affiliates ordering the same services. This approach protects confidentiality and should prevent claims of manipulation of data based on business organization.

The Commission should reject requests to establish reporting requirements for local services since those requirements would duplicate or conflict with implementation of local competition pursuant to §251 and the *Interconnection Proceeding*. For instance, AT&T's proposed measurement and reporting requirements in this proceeding conflict with the requirements in its signed and California-PUC-approved interconnection agreement with Pacific Bell. The Commission should reject "backdoor" proposals to circumvent the negotiation and arbitration process established in §§ 251 and 252 of the Act and should rely on that process for local service measurement and reporting requirements.

Accordingly, reporting requirements in this proceeding should be limited to the timing of provisioning of interexchange access provided to BOC affiliates. Moreover, as parties have not contested, the ONA nondiscrimination reporting requirements are more than adequate concerning network services provided to BOC enhanced services operations, and additional requirements are not needed. This approach of limiting additional reporting requirements to what is necessary to implement §272(e)(1) will ensure that parties have the information needed to detect potentially discriminatory provisioning intervals without establishing unnecessary regulations, in support of Congress's "procompetitive, deregulatory" goals.

II. THE COMMISSION SHOULD REJECT REQUESTS TO EXPAND REPORTING REQUIREMENTS BEYOND THOSE NECESSARY TO IMPLEMENT THE TIMING OF SERVICE PROVISIONING REQUIREMENTS OF §272(e)(1)

A. Service Quality Reports That Are Unrelated To The Timing Of Installation And Maintenance Are Unnecessary To Implement The Requirements Of §272(e)(1) (¶372)

AT&T, MCI, and Sprint urge the Commission to adopt reporting requirements related to service quality, in addition to reporting requirements related to the timing of provisioning of installation and maintenance.[4] Their proposals include failure rates of new and existing circuits, percentage of customers suffering service outages, and percentage of access lines with trouble reports. AT&T specifically complains that the Commission's proposals measure only the speed of provisioning.[5] It is only the speed of provisioning, however, that is relevant to this proceeding on implementing §272(e)(1).

§272(e)(1) Is A Timing Requirement

Section 272(e)(1) states that a BOC, or its §251(c) affiliate, "shall fulfill any requests from an unaffiliated entity for telephone exchange service and exchange access within a period no longer than the period in which it provides such telephone exchange service and exchange access to itself or to its affiliates...."[6] Thus, the purpose of the section is to require nondiscriminatory timing in the fulfilling of service requests. The Commission has decided that this includes the timing of request for both installations and maintenance. Accordingly, in the *Notice of Proposed Rulemaking*

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[4] AT&T at i, ii, 9-11; MCI at 5-6; Sprint at 2-3.
[5] AT&T at 9.
[6] 47 U.S.C. §272(e)(1) (emphasis added).

("Notice") in this proceeding, the Commission "tentatively conclude[d] that section 272(e)(1) requires BOCs to treat unaffiliated entities nondiscriminatorily in the provision of exchange services or exchange access in terms of timing, but does not create any additional rights beyond those granted to unaffiliated entities through the 1996 Act, pre-existing provisions of the Communications Act, or other Commission rules."[7] The Commission adopted this tentative conclusion in the *First Report and Order* in this proceeding when it "conclude[d] that section 272(e)(1) requires the BOCs to treat unaffiliated entities on a nondiscriminatory basis in completing orders for telephone exchange service and exchange access...."[8] The Commission pointed out that §272(e)(1) "unambiguously states that a BOC must fulfill requests from unaffiliated entities at least as quickly as it fulfills its own or its affiliates' requests."[9] Requirements to file service quality reports that include information other than timing are unnecessary to implement this timing requirement and, thus, are beyond the scope of this proceeding.

The Commission recognized this limitation on the scope of §277(e)(1) when it left AT&T's proposed service quality reports out of Exhibit C to its *Further Notice*. The Commission should continue to reject proposals for service quality reports.

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[7] *Notice* at para. 84 (emphasis added).
[8] *First report and Order* at para. 239 (emphasis added).
[9] *Id.* at para. 240.

ARMIS Reports Include Carrier-To-Carrier Service Quality

BOCs and other price cap LECs currently provide ARMIS quality of service reports. AT&T's argument is both irrational and wrong that ARMIS reports are inadequate because they are filed "on an annual basis and are designed to measure services provided to end-users, not carrier-to-carrier services."[10]

AT&T's argument is irrational because it is Congress that decided to reduce the filing of ARMIS reports to once a year. The Commission originally required that these reports be filed quarterly, but Congress changed this to an annual filing requirement in §402(b)(2)(B) of the 1996 Act as part of its goal "to provide for a pro-competitive, deregulatory national policy framework...," and the Commission implemented this change.[11] If Congress believed that once a year was inadequate to meet any requirements of the 1996 Act, it would not have reduced the filings to once a year.

AT&T's argument is wrong because ARMIS reports measure carrier-to-carrier services as well as services provided to end users. FCC ARMIS Report 43-05, "The Service Quality Report," provides "service quality information in the areas of interexchange access service installation and repair intervals, local service installation

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[10] AT&T at 3.

[11] *See Implementation of the Telecommunications Act of 1996: Reform of Filing Requirements and Carrier Classifications*, CC Docket No. 96-193, *Order and Notice of Proposed Rulemaking*, 11 FCC Rcd. 11716 at para. 1. *See also Implementation of Section 402(B)(2)(B) of the Telecommunications Act of 1996: Annual ARMIS Reports*, CC Docket No. 96-23, *Order*, released March 20, 1996; *Revision of ARMIS Quarterly Report*, CC Docket No. 96-193, *Order*, released December 17, 1996 ("*ARMIS Reports Order*").

and repair intervals, trunk blockage [including "common trunk blockage"] and total switch downtime [including "occurrences of two minutes or more duration downtime"]."[12] The interexchange access information is carrier-to carrier information. Moreover, the trunk blockage and switch downtime measurements affect carrier-to-carrier services as well as services provided to end users, and these measurements respond to AT&T's request for service quality information concerning circuit failures.[13] Contrary to AT&T's implication,[14] the Commission's expression of doubt concerning the adequacy of the ARMIS reports related to the issue of whether ARMIS reports by themselves would be adequate to implement the timing requirements of §272(e)(1), not whether they are adequate concerning quality of service.[15]

In connection with carrying out both the statutory mandate reducing the filing of ARMIS reports and its decision to eliminate thirteen other information reporting requirements imposed on communications common carriers, the Commission explained that it has an "on-going commitment to eliminate unnecessary and burdensome regulation, including reporting requirements."[16] Adoption of the service quality reporting requirements that AT&T, MCI, and Sprint seek would be a giant step backward from implementation of this commitment.

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[12] *ARMIS Reports Order* at paras. 20-21.
[13] *See* AT&T at 9-10.
[14] *See* AT&T at 3.
[15] *See Further Notice* at para. 382.
[16] *Revision of Filing Requirements*, CC Docket No. 96-23, *Report and Order*, released November 13, 1996 at paras. 1-2.

Finally, requiring the filing of service quality reports in order to protect against potential discrimination would be contrary to the Commission's finding in ONA. The Commission concluded that the BOCs' provisioning procedures and systems preclude quality-based discrimination."[17] Accordingly, the Commission limited ONA reports to those related to the timing of installation and maintenance.

In summary, the requests by AT&T, MCI, and Sprint to expand the reporting requirements to include service quality should be rejected as 1) outside the scope of §272(e)(1) and, thus, unnecessary for its implementation, 2) untimely petitions for reconsideration of the *First Report and Order* in which the Commission ruled that §272(e)(1) is a timing requirement, 3) not needed because the BOCs already file ARMIS service quality reports, 4) contrary to the Commission's finding in ONA that the BOCs' provisioning procedures and systems preclude quality-based discrimination, and 5) contrary to Congress's and the FCC's goals to streamline regulation, including service quality and other reporting requirements.

B. The Reporting Of Installations In Successive Time Periods Is Not Needed To Implement §272(e)(1) (¶372)

AT&T states that certain of the measures proposed in Appendix C of the Commission's *Further Notice* "reduce the risk that 'nondiscriminatory' mean performance would mask competitively significant discrimination in specific

[17] *Filing and Review of Open Network Architecture Plans*, CC Docket No. 88-2, *Memorandum Opinion and Order*, 4 FCC Rcd. 1 at para. 481 (1988). In this Order, the Commission made this finding for all BOCs except Bell Atlantic, for which it made the same finding later.

circumstances" because "these measures have been structured to capture more than simple averages -- by capturing the 'tails' in terms of percentages achieved in successive periods."[18]

AT&T is wrong. In ONA, BOCs have provided provisioning information for years that does not include information in successive time periods, without any evidence of masking discrimination. Similarly, there is no need to provide additional information, including information about "tails," in order for an IXC to have all the information that it needs to compare the BOC's provisioning for its affiliates to the BOC's provisioning for the IXC.

C. The Reporting Of Comparative Data Of Unaffiliated Entities Is Not Necessary To Implement §272(e)(1) (¶372)

MCI complains that "[t]he Commission's proposed report format would require the BOCs to report installation and maintenance intervals for services provided to their affiliates, but not for services provided to unaffiliated carriers."[19] Although, as we have stated, we could provide average intervals for all other customers in the aggregate,[20] the provision of this information is not necessary to implement §272(e)(1) since each customer has its own information that it can use for comparisons. The

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[18] AT&T at 3.

[19] MCI at 7.

[20] Comments of Pacific Telesis Group at 9. In our *ex parte* letter to the Commission, we included potential reports that included aggregate information on third parties based on the ONA reports. In the ex parte letter we also explained why such reports were not necessary. Letter from Gina Harrison, Director, Federal Regulatory Relations, Pacific Telesis Group Washington, D.C., to William F. Caton, Acting Secretary, FCC (filed October 18, 1996).

Commission already recognized this in the *First Report and Order*. The Commission discussed the need for the BOCs to disclose to unaffiliated entities information related to the service intervals that the BOCs provide to themselves or their affiliates, but did not find that the BOCs needed to disclose information related to the service intervals they provide to third parties. The Commission found that the disclosure obligation will allow all entities to compare, in a timely fashion, their own service intervals with those provided to the BOC or its affiliates."[21] Since the third parties have information on their own service intervals, including the percentage of missed negotiated due dates, disclosure of third-party information is not necessary. The Commission can leave it up to the BOCs and other entities to negotiate concerning whether or not additional, aggregate information should be provided concerning all other customers, rather than establish an unnecessary rule.

D. The Negotiated Due Date Is More Meaningful Than The Desired Due Date For Use In Measurements (¶¶372, 374)

AT&T asserts that use of the BOC's "self-imposed" due date is not as valuable as use of the ordering party's "desired due date."[22] AT&T's description of due dates as "self imposed" by BOCs is inaccurate. The due date is negotiated between the parties. The negotiated due date is meaningful because both the BOC and the IXC are involved in the determination of the date as a function of factors within the control of both parties, including the readiness of each party. As such, this date reflects a

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[21] *First Report and Order* at para. 242 (emphasis added).
[22] AT&T at i, 5, 6.

balance between the desires of the IXC and the practical abilities of both the BOC and the IXC to provision the service.

By contrast, the ordering party's "desired due date" is self imposed and too subjective to be valuable for measuring performance. As the Commission acknowledges, "the BOCs have no control over a customer's requested due date."[23] The IXC could continually demand unreasonable due dates, and public reports on that basis would not be meaningful. Such a measure would encourage IXCs to be unreasonable in their requests for due dates. It would not serve the objective of measuring actual performance in order to deter or detect discrimination.

Currently, parties normally have no such incentive to demand unreasonable due dates, and it is Pacific Bell's and Nevada Bell's standard practice to meet the requested due date if facilities are available. Our employees who provide services to IXCs are measured on how well they meet the desires and needs of their IXC customers. Therefore, the negotiated due date often will continue to be the same as the desired due date, so long as the Commission does not establish requirements that may change the IXCs' incentives.

The most meaningful measurement is the percent of missed negotiated due dates. It is the due date which has been negotiated and agreed to by the BOC that is of concern to users of the BOCs' networks, including competitors. Accordingly, the most important measurement is the percentage of missed negotiated due dates.

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[23] *Further Notice*, ¶373.

Customers, including competing carriers, often request a delayed due date because they are not ready for installations. This situation frequently occurs with major projects in which access customers are reconfiguring their networks and require long lead times for installations. Thus, even measuring from the date of request for service to the completion date, which we have agreed would be the only reasonable measurement to require in addition to percentage missed appointments, will not always result in a meaningful comparison. If a customer requests that we hold off the installation, we will honor that request. In a report of installation intervals, such installations might give the false appearance of discrimination against third parties, if the BOCs' affiliates did not request similar delays.

It is unnecessary to require the BOCs to disclose the negotiated due date itself,[24] as MCI and The Telecommunications Resellers Association ("TRA") propose.[25] Averaged data concerning the BOC's provisioning intervals for affiliates is more meaningful than individual intervals because averaged data can take into account 1) that service provisioning times vary based on the size and complexity of the order, 2) unique characteristics of the service, 3) the geographic location of the service to be provisioned and, as noted, 4) the customers' requests for delayed installations. Providing average, rather than actual, intervals would be consistent with the Commission's ARMIS Report requirements. Again, however, it is the percentage of due dates missed that is the key measurement. Nothing more than these two

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[24] *I.e.*, the length of the interval promised by the BOCs to their affiliates at the time an order is placed.

[25] MCI at 9; TRA at 11.

measurements is needed to implement §272(e)(1). Some other measurements may be valuable for other purposes and can be negotiated between the parties, but they are beyond the scope of this proceeding and should not be required.[26]

E. Reports Should Be Filed Quarterly And Retained For One Year (¶379)

The commenting parties vary between proposing quarterly and monthly filing of reports. For instance, MCI and Teleport say quarterly, while AT&T and Sprint say monthly.[27] In the *First Report and Order*, the Commission found that they should be filed more frequently than biennially.[28]

Consistent with Congress's "pro-competitive, deregulatory" goals, and years of experience in *ONA*, reports should be required no more than quarterly. More often than that would be unreasonably burdensome. This frequency rate also would be consistent with industry practices. For instance, although Pacific Bell reports some data to AT&T monthly,[29] AT&T evaluates us through its DMOQ process on a quarterly basis. Nonetheless, AT&T states that quarterly reports are not statistically meaningful.[30] Actually, statistical validity requires sufficient volumes of orders, and quarterly reports

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[26] For instance, AT&T at 7 recommends that the Commission require "BOCs to report, as a percentage of installations for which a BOC-established deadline was missed, whether the BOC informed its 'customer' (here, the BOC itself or one of its affiliates) that it would not be able to meet its promised schedule." AT&T calls this metric "Jeopardy Notification Provided."

[27] AT&T at ii, 17-18; MCI at 9; Sprint at 2, 4; Teleport at 8.

[28] *First Report and Order* at para. 242.

[29] Nevada Bell provides the same information quarterly.

[30] AT&T at 18.

will be more valid than would monthly reports. Even on a quarterly basis, initial reports relating to new affiliates may need to be accumulated to have statistical validity.

AT&T states that BOCs should retain the reports and all underlying data for two years.[31] There is no need for this retention requirement. Systems and databases are set to delete information after set time periods in order to make room for new data. It would be a heavy and unreasonable burden to require that we revise systems and databases to retain data for unreasonably long time periods. The averaged data in reports should be retained for one year. Disaggregated data should not have to be retained.

F. BOCs Should Be Allowed To Aggregate Data For The Same Services Among Affiliates (¶380-381)

AT&T, Sprint, Teleport, and TRA assert that the BOCs should be required to report information separately for themselves and each affiliate.[32] These parties are wrong. Section 272(e)(1) speaks of comparisons to "affiliates," not to each affiliate. If a BOC has multiple affiliates ordering the same services, then it should be allowed to aggregate the requests. Aggregate data is sufficient to meet the needs of §272(e)(1) and would support the confidentiality of competitive information.

AT&T states that allowing aggregation would allow BOCs to "game" the numbers. Actually, by aggregating data for multiple affiliates, there can be no claim that BOCs are somehow "manipulating the numbers" by the way they organize their

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[31] *Id.* at 17.

[32] AT&T at ii, 18-20; Sprint at 1; Teleport at 14-15; TRA at 12.

business units into separate affiliates. Arguments concerning manipulation of numbers for services that the BOC provides to itself are illogical and irrelevant. They are illogical because, as Ameritech points out,[33] a BOC would not let its core business suffer inferior service to advantage an affiliate.[34] They are irrelevant to this proceeding because services that BOCs provide to themselves are local exchange services. As discussed below, reporting for local exchange services is covered by the steps, including negotiated contracts, being taken to implement §251 of the 1996 Act pursuant to the Commission's Interconnection proceeding.

G. Reporting By CIC Should Not Be Required (¶381)

AT&T states that reporting should be by CIC.[35] AT&T is wrong. Each IXC has its own data by CIC and can compare it to the data that the BOC provides concerning its affiliates. There are hundreds of CICs in each territory, and IXCs have multiple CICs. Reporting by CIC would be unreasonably burdensome, would be unnecessary to meet the needs of implementing §272(e)(1), and would require the release of proprietary information.

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[33] Ameritech at 16.

[34] Also, accounting safeguards govern transactions between the BOC and its affiliates.

[35] AT&T at 21.

H. The Commission Should Not Establish Reporting Requirements For Local Services Since Those Requirements Would Duplicate Or Conflict With Implementation Of Local Competition (¶382)

AT&T, MCI, Sprint, and of course Teleport, support Teleport's *ex parte* proposal that the Commission establish reporting requirements for local service.[36] In the *Further Notice*, the Commission noted "that much of Teleport's proposal appears directed toward the implementation of local competition by incumbent LECs...and that Teleport has raised many of the same issues in the Interconnection proceeding."[37]

The Commission is correct that it should not establish reporting requirements in this proceeding that relate to implementation of local competition. Such requirements would create unnecessary and burdensome duplication and would potentially create conflicts with that implementation. For instance, AT&T sets forth, in Exhibit 2 of its comments, its proposal for BOC reporting on provisioning of local exchange services. Its proposal covers the same services that are already covered in the interconnection contract between AT&T and Pacific Bell. As part of that contract, AT&T and Pacific Bell negotiated reporting requirements for these services. Those requirements were subject to arbitration before the California Public Utilities Commission. The arbitrated agreement was signed by both parties and approved by the California PUC. AT&T did not get everything it wanted, and its proposal here is in conflict with what is in its agreement with Pacific Bell. AT&T is trying to use this proceeding as an end run around its approved interconnection agreement.

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[36] AT&T at ii, 11-14, 22; MCI at 4-5; Sprint at 1, 3; Teleport at 2-4, 6-8, 10, 12.
[37] *Further Notice*, para. 382.

The Commission should prevent this ploy by AT&T and should prevent other conflicts with Interconnection agreements by declining to establish requirements for local service reporting. They are not needed to implement §272(e)(1), since reporting requirements are a common feature of interconnection agreements. For instance, Pacific Bell has such requirements in interconnection agreements with MCI and Sprint, in addition to AT&T, and is negotiating such requirements to be added to interconnection agreements with other carriers. Moreover, Pacific Bell has measurement and reporting requirements for service provisioning in its Statement of Generally Available Terms ("SGAT"), which it filed at the California PUC.[38] In addition, state reporting requirements cover local services. For instance, the California PUC requires Pacific Bell to report data on held orders for local exchange services, including the reasons why the orders are being held.[39]

Requiring BOCs to compare their provisioning of interexchange access services to their affiliates with their provisioning of retail services to end users would distort the reports. Although the services are sometimes the same (e.g., DS1), the provisioning of service to the two different types of customers (IXCs vs. end users) is much different. With retail services (as opposed to unbundled elements), the BOC installs the whole end-user to end-user service. With interexchange access service, the BOC installs the service to the IXC who uses it in connection with its own interexchange

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[38] Pacific Bell filed its SGAT earlier this year in Application No. 97-02-020. Service performance measures, including those for provisioning and maintenance, are contained in Attachment 17 of the SGAT.

[39] California PUC General Order No. 133-B Report For Intercompany Interconnection Held Service Orders.

network. Comparing the installation intervals of services under these two situations would not be meaningful and would distort the use of the reports.

Teleport, with support from TRA, continues to propose highly detailed reports on an exchange basis.[40] These reports would be very costly to produce and would provide competitively sensitive marketing intelligence. We currently have nearly 400 exchanges in California -- there are likely tens of thousands in the industry. TCG's proposal would be burdensome to the LECs and contrary to Congress's goal to eliminate unnecessary regulation.

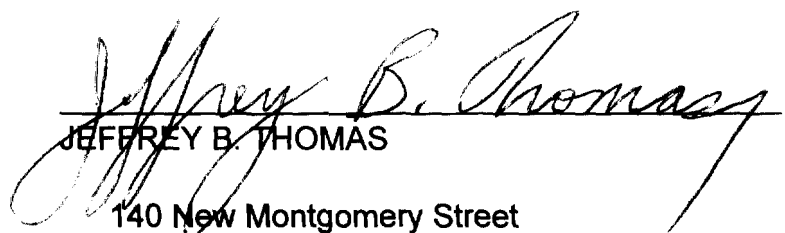
[40] Teleport at 16; TRA at 12. Often the reason for the held order has been that the competitive LEC has not been ready for the service.

III. CONCLUSION

The Commission should reject proposals that it establish reporting requirements in this proceeding beyond those that are necessary to implement §272(e)(1). Requirements consistent with our recommendations will ensure the furtherance of Congress's pro-competitive, deregulatory goals.

Respectfully submitted,

PACIFIC TELESIS GROUP



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